



**Avinashilingam Institute for Home Science and Higher Education for Women  
(Deemed to be University), Coimbatore-641 043**

**Bachelor's Degree Examination – April 2019**

**II/IV Semester**

**Class : IUG  
Major : Computer Science & Computer Applications**

**Time :3 hours  
Max. Marks: 100**

**18BCAI02 - DSE – II Principles of Accountancy**

**Part-A**

**10 x 1=10**

**Choose the correct answer**

1. Recording of business transactions in a systematic manner is termed as
  - a. book-keeping
  - b. accounting
  - c. journalizing
  - d. summarizing
2. A credit balance of nominal account represents
  - a. income
  - b. expense
  - c. assets
  - d. liabilities
3. The source for all entries made in ledger accounts is
  - a. trail balance
  - b. trading account
  - c. journal
  - d. Profit & Loss account
4. Sales book records the
  - a. credit sale of asset
  - b. credit sale of goods
  - c. cash sale of goods
  - d. cash sale of assets
5. The assets which do not have physical existence is known as
  - a. tangible assets
  - b. contingent assets
  - c. wasting assets
  - d. intangible assets
6. The difference between actual sale proceeds and cost of goods sold is
  - a. gross profit
  - b. gross loss
  - c. net profit
  - d. net loss
7. Which of the following is not an example of non-trading concern?
  - a. hospitals
  - b. educational institutions
  - c. sports club
  - d. Infosys pvt. Ltd.
8. Amount received by non-profit organizations as per will of a deceased person is called
  - a. legacy
  - b. donation
  - c. life membership fee
  - d. subscription
9. Permanent and gradual decrease in the value of an asset is termed as
  - a. depreciation
  - b. obsolescence
  - c. scrap value
  - d. sale value
10. The charge of depreciation under written down value method is
  - a. increasing from year to year
  - b. decreasing from year to year
  - c. constant from year to year
  - d. varies from year to year

**Part B****5 X 6=30****Answer the following  
Answer should not exceed 400 words or two pages**

- 11.a. What are the objectives of accounting? (or)
- 11.b. What are the characteristics of accounting concepts and conventions?
- 12.a. Journalize the following transactions in the books of Sri.Thirumalai:  
2017 Oct. 1. Commenced business with Rs.5,00,000  
3. Purchased goods for cash Rs.1,00,000  
4. Paid carriage Rs.500  
8. Purchased Machinery for Rs.50,000  
10. Sold goods to Madan for Rs.1,50,000. (or)

- 12.b. Enter the following transactions in the Purchases book and Sales book of Mr.Pandian:  
2017 Jan. 1. Purchased goods from Balu Rs.30,000  
2. Sold goods to Swamy Rs.15,000  
4. Bought goods from Gowri Rs.13,500  
12. Sold goods to Thenali Rs.10,500  
19. Sold goods to Jayaraman Rs. 750  
21. Bought goods from Rajesh Rs. 9,000  
30. Sold goods to Shanthi Rs. 900

- 13.a. Prepare a Trial Balance from the following information:

	Rs.		Rs.
Capital	9,000	Rent outstanding	1,000
Plant and Machinery	12,000	Opening Stock	2,000
Purchases	8,000	Sales Returns	4,000
Sales	12,000	Investments	14,000
Sundry Creditors	8,000	Debtors	12,000
Bank loan	22,000		

(or)

- 13.b. What are the difference between capital and revenue receipts?

- 14.a. Write Short notes on (i) Subscription; (ii) Endowment fund (iii) Legacy

(or)

- 14.b. From the following details, ascertain the amount of subscription to be credited to income and expenditure account for the year 2017.

Subscription received in 2017 – Rs.48,000 which include Rs.4,000 for 2016 and Rs.8,000 for 2018. Subscriptions due but not received at the end of the year 2017 were Rs.20,000. Subscriptions received in 2016 in advance for 2017 were Rs.12,000.

- 15.a. Explain the objectives of providing depreciation.

(or)

- 15.b. A machine was purchased for Rs.3,00,000 on 01.04.2017. This is expected to last for five years. Estimated scrap value at the end of five years is Rs.50,000. Find out the amount and rate of depreciation under straight line method.

**Part C****5 x 12=60****Answer the following  
Answer should not exceed 800 words or four pages**

- 16.a. What is book-keeping? Distinguish between book-keeping and accounting.

(or)

16. b. Explain various accounting concepts.

- 17.a. Journalize the following transactions in the books of Balan

Date	Particulars	Amount (Rs.)
2017 Dec. 1.	Balan Commenced business with a capital	1,00,000
3	Bought goods for cash	60,000

4	Sold goods for cash	50,000
5	Deposited in IOB	40,000
6	Bought goods from Ravi	30,000
7	Bought furniture for cash	4,000
8	Sold goods to Nathan	40,000
9	Paid cash to Seenu	10,000
10	Nathan returned goods	2,000
11	Paid advertisement charges	4,000
12	Returned goods to Ravi	3,000
13	Withdrew cash from bank	10,000
15	Bought a bicycle for office use	3,000
16	Received commission	1,000
18	Drew cash for personal use	6,000
19	Electricity charges paid	600
20	Paid insurance premium	1,500
25	Interest received	300
31	Paid Rent	1,200
	Paid Salaries	9,600

(or)

17.b. Following are the ledger balances of Sri. Rao. You are asked to prepare Trial Balance as on 31.03.2017.

	Rs.		Rs.
Opening Stock	10,000	Capital	60,000
Salaries	5,000	Creditors	10,000
Bills Payable	5,000	Loan from Krishna	25,000
Cash in hand	12,000	Discount allowed	700
Bank overdraft	4,000	Accrued interest payable	5,000
Debtors	15,000	Purchases	30,000
Cash at bank	18,000	Reserve for bad debts	1,200
Sales	80,000	Trade expenses	500
Wages	1,000	Outstanding salaries	2,000
Prepaid insurance	2,500	Plant and Machineries	90,000
Depreciation on plant	8,000	Outstanding interest on Overdraft	500

18.a. The following are the ledger balances extracted from the books of Weifa.

	Rs.		Rs.
Weifa's Capital	50,000	Sales	3,01,000
Bank Overdraft	8,400	Return inwards	5,000
Furniture	5,200	Discount (Cr.)	800
Business Premises	40,000	Taxes and Insurance	4,000
Creditors	26,600	General Expenses	8,000
Opening Stock	44,000	Salaries	18,000
Debtors	36,000	Commission allowed	4,400
Rent from tenants	2,000	Carriage on purchases	3,600
Purchases	2,20,000	Provision for doubtful debts	1,000
		Bad debts written off	1,600

**Adjustments:**

1. Stock on hand on 31.03.2017 was estimated as Rs.40,120.
2. Write off depreciation on business premises Rs.600 and furniture Rs.520.
3. Make a provision of 5% on debtors for bad and doubtful debts.
4. Allow interest on capital at 5% and carry forward Rs.1,400 for unexpired insurance.

Prepare Final accounts for the year ended 31.03.2017.

(or)

18. b. From the following balances of Arvind, Prepare a Trading A/c, Profit and Loss A/c and a Balance sheet as on 31<sup>st</sup> March 2017.

	Rs.		Rs.
<b>Credit Balances:</b>		Postage	546
Capital	72,000	Bad debts	574
Creditors	17,440	Interest	2,590
Bills Payable	5,054	Insurance	834
Sales	1,56,364	Machinery	20,000
Loan	24,000	Stock (01.04.2016)	19,890
<b>Debit Balances:</b>		Purchases	1,24,184
Debtors	7,770	Wages	8,600

Salaries	8,000	Buildings	47,560
Discount	2,000	Furniture	32,310

Value of goods on hand on 31.03.2017 Rs.28,600.

19.a. From the following particulars, prepare Income and Expenditure Account

	Rs.		Rs.
Fee Collected, including Rs.80,000 on account of previous year	3,80,000	Meeting expenses	18,000
Fees outstanding at the end of the year	10,000	Travelling expenses	6,000
Salary paid, including Rs.3,000 on a/c of previous year		Purchase of Books and Periodicals (including Rs.19,000 for purchase of book)	29,000
Salary outstanding at the end of the year	1,000	Rent	10,000
Entertainment expenses	3,000	Postage	15,000
Tournament expenses	12,000	Printing and Stationery	4,000
		Donations received	20,000

(or)

19. b. The 'U' club gives you its Receipts and Payments a/c for 2017. Prepare Income and Expenditure A/c:

**Receipts and Payments A/c**

	Rs.		Rs.
To balance b/d	1,200	By Sports equipment	3,500
To Subscriptions	15,300	By Rent	1,000
To Sale of newspapers	300	By Cost of entertainment	10,100
To Donations for buildings	10,100	By Miscellaneous expenses	800
To Sale of furniture	600	By Investments	10,000
		By Balance c/d	2,100
	<b>27,500</b>		<b>27,500</b>

Investments consisted of 4% Government Loan and were purchased on 1.1.2017. Subscriptions included Rs.700 for 2016 and Rs.200 for 2018. Subscription for 2017 still receivable were Rs.1,500 but of these Rs.200 were considered doubtful.

20.a. A machine was purchased on 1<sup>st</sup> July 2015 at a cost of Rs.14,000 and Rs.1,000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The books are closed on 31<sup>st</sup> December each year. The machine was sold for Rs.9,500 on 31<sup>st</sup> March 2018. Show the machinery account for all the years.

(or)

20. b. An asset is purchased for Rs.25,000. Depreciation is to be provided annually according to the straight line method. The useful life of the asset is 10 years and the residual value is Rs.5,000. You are required to find out the rate of depreciation and prepare the asset account for first three years.

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